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# **Prospects for Foreign Trade in**

**FOOD and FEED GRAINS**  
Dry Beans, Dry Peas, Seeds, Hops



Foreign Agricultural Service  
UNITED STATES DEPARTMENT OF AGRICULTURE  
January 1959

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## PROSPECTS FOR FOREIGN TRADE IN FOOD AND FEED GRAINS, DRY BEANS AND PEAS, SEEDS AND HOPS

### SUMMARY

U.S. food-grain exports in 1958-59 are expected to show sizable increases over those in 1957-58.

Year <sup>1</sup>	Wheat <sup>2</sup>	Rye	Rice <sup>3</sup>
	<i>Mil. bu.</i>	<i>Mil. bu.</i>	<i>Mil. cwt.</i>
1957-58 .....	402	3.5	18.3
1958-59 .....	430	7.0	27.0

<sup>1</sup> For wheat and rye, July-June marketing year; for rice, August-July.

<sup>2</sup> Including flour in terms of grain.

<sup>3</sup> Rough basis.

These estimates are based on surveys of foreign production, supplies, prices, consumption trends, import requirements, and export availabilities.

For feed grains, 1958-59 (July-June) total exports will probably increase too, perhaps reaching as high as 9.5 million short tons compared with 9.3 million tons last year.

The export demand for U.S. dry beans and peas will continue at high levels in 1958-59 because of smaller crops and low carryover stocks in several major importing countries of Western Europe and reduced export availabilities in East European and African exporting countries. Exports of beans should exceed the 1957-58 level of 1.9 million bags by a substantial margin. Exports of peas, however, are not likely to reach last year's level of 1.1 million bags because of the poor U.S. crop this year.

For seeds, 1958-59 exports will compare favorably with last year's total of 86 million pounds because of shortages, especially of grass and legume seeds, in many European countries and increased demands in Japan and South American countries which have government programs to improve forage resources.

U.S. exports of hops in 1958-59 (September-August) are not expected to reach last year's record of 16.9 million pounds because of substantially larger export availabilities in European surplus producing areas this year. However, U.S. shipments should range from 14 million to 15 million pounds.

In the aggregate, U.S. exports of grain and grain products, dry beans and peas, seeds, and hops were valued at \$1.3 billion in 1957-58. This represented 31.6 percent of the Nation's agricultural exports and 6.7 percent of its total exports that year. The year before, when such exports were valued at \$1.5 billion, they constituted 32.6 percent of the agricultural exports and 7.5 percent of the total. Because of the aggregate importance of these commodities in U.S. exports, anything that affects their competitive status in world markets has an immediate impact on the income and purchasing power of individual producers and also on the Nation's international balance of payments and its general well-being.

### GRAIN AND GRAIN PRODUCTS

The immediate postwar demand for U.S. grain and grain products in foreign countries was such that the Nation's surpluses found ready markets abroad. Today, in the face of greatly increased production not only in competing exporting countries but in deficit producing countries as well, the fullest cooperation of both the U.S. Government and the trade is required to assure producers a reasonable share of the world's export market.

Wheat and rice are by far the most important U.S. food-grain exports. Rye is relatively insignificant. Corn holds first place in coarse-grain exports. Barley, sorghums, and oats follow in that order. U.S. export supplies of each of these grains in 1958-59 are larger than in 1957-58. They are being offered for export at competitive prices, although world market prices in most instances are well below U.S. domestic price levels.

### Factors Affecting 1958-59 Grain Export Prospects

Wartime and postwar scarcity resulted in strenuous efforts to produce more food and feed grains. Aided by technological progress and governmental incentives in both importing and exporting countries the upward trend in production continued even after surpluses began to emerge. Preliminary estimates indicate that the world's aggregate production of wheat, rye, rice, corn, oats, and barley (world production data for grain sorghums are not available) totaled 865 million short tons in 1958-59, an increase of about 18 percent compared with the 1950-54 average of 735 million tons. Largest increases were in wheat, rice, and corn. Barley showed a substantial increase but oats remained about the same.

Problems that grain-exporting countries face in disposing of their surpluses in world markets stem mainly from such factors as lack of effective demand or purchasing power and the national grain policies of importing countries. Ability of importing countries to provide outlets for the grain surpluses of the United States and other exporting countries depends on many factors. These vary in their impact from year to year and frequently counteract each other. The most significant for U.S. grain and grain products in 1958-59 are the following:

Favorable Factors.--(1) Increased demand for high-protein wheat in most European countries because of low milling quality of the 1958 crop; greatly reduced export availabilities of millable wheat in France; reduced wheat production and increased requirements in the Far East, especially in India, Japan, and Pakistan; little prospect of substantial exports of wheat from Sweden, Syria, and Iraq; and the continued insignificance of East European satellite countries in world markets.

(2) Reduced exports of oats and barley from Argentina; greatly reduced corn crops in Danube Basin countries, especially in Yugoslavia; little prospect of increased export availabilities of barley in Turkey and other Middle Eastern countries; and likelihood of increased European demand for malting barley because of upward trends in beer consumption and weather damage to the 1958 barley crop.

(3) Upward trends in world population and livestock numbers.

(4) Persistent efforts to diversify diets and improve per capita nutritional levels, especially in underdeveloped countries.

(5) Continued improvement in the dollar exchange situation and in the purchasing power of most of the industrialized countries of the world, especially in Western Europe.

(6) Continued opportunities for moving U.S. grain surpluses into export channels under existing surplus disposal programs.

Unfavorable Factors.--(1) Export surpluses of wheat in many countries, especially Canada, which has continued large availabilities despite some reduction in carry-in stocks and a smaller crop; Australia, with a great increase in availabilities; Argentina and Uruguay, with prospects for increases; and the Soviet Union and Morocco, with indications of substantial increases.

(2) Substantially increased export availabilities of barley and oats in Canada, the Soviet Union, Australia, and North Africa, and of corn in Argentina.

(3) Continued efforts on the part of major deficit countries to become more self-sufficient, especially in wheat, and their unwillingness or inability to take full advantage of opportunities to offset deficits with less expensive grain from abroad.



(4) Continued disequilibrium between world supplies and effective demand for food and feed grains.

(5) Continued quantitative control over imports, either to conserve dollar exchange, thus encouraging imports from nondollar sources, or to assure local markets for home-grown grain, especially wheat.

(6) Continued efforts on the part of competing exporters to widen export outlets for grain surpluses.

(7) Use by importing countries of bilateral, triangular, and barter arrangements for grain from nondollar sources.

(8) Obligation of flour millers in virtually all importing countries, especially in Europe, to give first priority to home-grown wheat.

(9) Inflationary pressures, reduced export earnings, lack of free convertibility of currencies, declining gold and dollar assets, and balance of payments difficulties in nonindustrialized countries:

(10) Tendency toward reduced consumption of bread grains in favor of high-protein foods in highly developed countries where expanding economic activity is accompanied by higher incomes.

(11) Likelihood that increased supplies of low-quality feed wheat in Europe will reduce the demand for U.S. feed grains in that area this year.

## Wheat

World Production.--The world's 1958 wheat crop reached an alltime high and is now estimated at 8.7 billion bushels, about 900 million bushels above the previous record in 1956. The increase is due mainly to a record crop harvested in the United States and reported record crops in the Soviet Union and Mainland China. These increases more than offset reductions in many other areas, especially in Europe.

Canada's crop is currently estimated at 369 million bushels compared with 371 million last year and the 1950-54 average of 538 million. With an estimated August 1 carry-in of 615 million bushels, total supplies for 1958-59 amount to 984 million bushels compared with 1,100 million last season. Allowing 160 million bushels for domestic requirements, the volume available for export or carryover totals 824 million bushels, 11 percent less than a year ago. Canada hopes to export at least 300 million bushels this year. Exports in 1957-58 amounted to 316 million bushels.

Australia's 1958 crop is estimated at 210 million bushels compared with 98 million last year. Allowing for a December 1 carry-in of 25 million bushels, the new season's supply amounts to 235 million bushels compared with 139 million last year. Deducting 75 million bushels for domestic requirements, supplies available for export or carryover would total 160 million bushels.

Australia's main hope for a large and successful wheat trade in 1958-59 is based on ability to exploit the vast potentialities of Far Eastern markets, in which it enjoys definite geographical advantages. Exports of 85 million to 90 million bushels are expected in 1958-59. Because of the near failure of the 1957 crop, wheat and flour exports in 1957-58 (December-November) amounted to less than 45 million bushels, grain basis, compared with an average of 99 million bushels annually during the 5-year period ending November 30, 1957. India is Australia's best potential market, but is having difficulty in finding sufficient foreign exchange to purchase its requirements. Consideration is therefore being given to selling wheat to India on a long-term deferred-payment basis.

Argentina's new crop is estimated at 225 million bushels compared with 214 million a year ago. With an estimated December 1 carry-in of 52 million bushels, the new season's supply totals 277 million bushels compared with 271 million bushels last season. Deducting estimated domestic requirements of 140 million leaves 137 million bushels for export or carryover. Exports of about 75 million bushels are expected in 1958-59 (December-November). During the 1957-58 marketing season, exports are believed to have been in the neighborhood of 70 million bushels. Those for the 5-year period ending November 30, 1957, averaged 105 million bushels annually.

Because of harvesting delays caused by wet weather, Western Europe's 1958 wheat crop is currently estimated at 1.3 billion bushels, 39 million under last year's record outturn. The largest reduction was in France, which harvested only 350 million bushels compared with 407 million a year ago. This reduction, combined with the poor milling quality of much of the French crop because of moisture damage, is especially significant since it will mean that France must import substantial quantities of wheat this year not only for use by its own flour mills but also to help some of its export commitments.

Eastern Europe's crop is also much lower, especially in Yugoslavia. However, indications are that the harvest in the Soviet Union was very good--possibly a postwar record. This should result in substantial export availabilities from that area during 1958-59. A substantial part of the increased supplies will be used to offset reductions in the crop in Hungary, Rumania, Bulgaria, and Czechoslovakia.

Asia as a whole has a much larger crop this year owing to the reported bumper harvest in Mainland China. Most other countries in Asia report smaller crops, especially India and the Middle East. The crop in Africa is slightly larger than a year ago, owing mainly to substantially larger production in Morocco and Tunisia.

Table 1.--Wheat: World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>
North America.....	1,654,000	1,624,000	1,369,000	1,865,000
West Europe.....	1,150,000	1,132,000	1,369,000	1,330,000
East Europe.....	490,000	453,000	576,000	500,000
U.S.S.R. (Europe & Asia).....	1,240,000	2,000,000	1,800,000	2,300,000
Asia.....	1,760,000	1,860,000	1,915,000	1,970,000
Africa.....	183,000	215,000	185,000	195,000
South America.....	306,000	368,000	325,000	335,000
Oceania.....	186,630	137,950	100,000	216,000
Total.....	6,970,000	7,790,000	7,640,000	8,710,000

World Wheat and Flour Exports in 1958-59.--Current indications are that world wheat and flour exports in 1958-59 will reach at least 1,200 million bushels, grain equivalent, or approximately 15 percent of the world crop. The record total was 1,365 million bushels in 1956-57. European markets, including the satellite countries of Eastern Europe, will take between 50 and 60 percent of the total. Asiatic countries will probably account for 25 to 30 percent; Western Hemisphere markets for 10 to 12 percent; and African markets for 4 to 5 percent.

Factors supporting this opinion include the substantial reduction and poor milling quality of the 1958 crop in Western Europe, the principal deficit region; reduced production in several Far Eastern deficit areas, notably India; smaller crops in the Middle East and Egypt; continued large import requirements in highly developed countries because of

population growth; and upward trends in wheat consumption, because of rapid population growth and urbanization, in areas where rice and coarse grains are widely consumed for human food.

Competition in supplying the world's import requirements will remain extremely keen. Export availabilities in Canada continue at a high level, though much smaller than a year ago. The Canadian Government has increased its credits under the Colombo Plan for shipments of wheat to India, Pakistan, and Ceylon. Indications are that Australia will have larger than normal export supplies this year in contrast with last season when exports were drastically reduced because of a virtual crop failure. The 1958 crops in Argentina and Uruguay are also expected to provide higher export availabilities than a year ago.

In addition, North African surplus producing areas are expected to have larger export availabilities. Finally, indications are that the Soviet Union will have considerably more wheat to export than a year ago, although a part of it may be stockpiled. Much of the Russian exports will move to Eastern Europe.

On the other hand, anticipated competition from France will be considerably reduced because of the poor crop. French exports, which reached 88 million bushels in 1957-58 (August-July), are likely to stay between 50 million and 55 million bushels this season. The reduction would be much greater were it not for the fact that France is expected to import large quantities of wheat in 1958-59 in order to fill previous export commitments.

Table 2.--Wheat and flour: World exports by principal countries, averages 1900-54, annual 1955-58

Year beginning July 1	United States <sup>1</sup>	Canada <sup>2</sup>	Australia	Argentina	Other countries	Total
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
Average:						
1900-09 <sup>3</sup> .....	155	38	26	84	293	596
1910-19 <sup>3</sup> .....	183	128	55	89	210	665
1920-29 <sup>3</sup> .....	222	267	89	154	108	840
1930-39 <sup>3</sup> .....	75	201	114	130	190	710
1945-49.....	415	252	83	76	52	878
1950-54.....	330	300	98	81	159	968
Annual:						
1955.....	346	289	102	115	190	1,042
1956.....	549	282	126	98	<sup>4</sup> 310	<sup>4</sup> 1,365
1957 <sup>5</sup> .....	402	316	68	77	293	1,156
1958 <sup>6</sup> .....	430	300	90	85	295	1,200

<sup>1</sup> Excludes the wheat equivalent of exports of flour milled in bond. Includes principal wheat products other than flour.

<sup>2</sup> Includes wheat exported to the United States for milling in bond and subsequent export by the United States. Also includes United States imports from Canada of "wheat unfit for human consumption."

<sup>3</sup> Calendar years.

<sup>4</sup> Includes estimates of intra-Communist Bloc exports not fully accounted for in previous years.

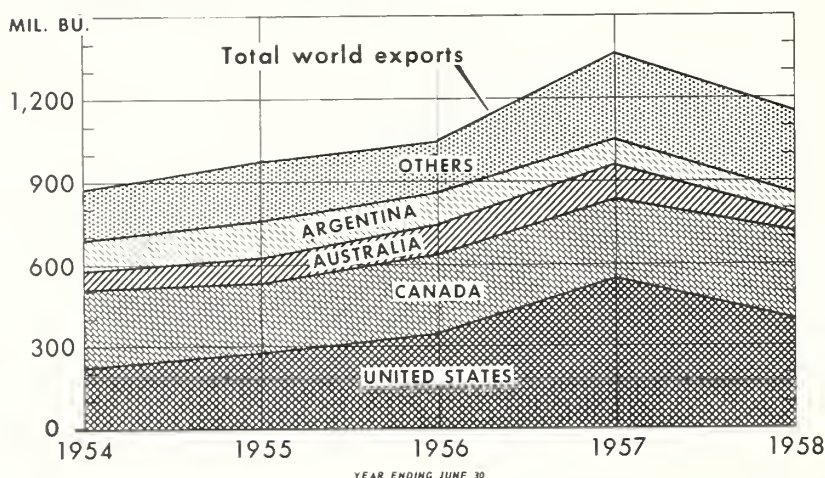
<sup>5</sup> Preliminary.

<sup>6</sup> Estimated.



World Trade in 1957-58.--World wheat and flour exports in 1957-58 were down about 15 percent from the previous year's level, owing mainly to smaller imports by Europe because of its bumper 1957 crop. Non-European countries in the aggregate maintained their purchases at a level which compared well with that of any year since the war. The general trend on world wheat exports is upward because of continued demand in big importing areas and export incentives provided by surplus producing countries through various government export programs and aids.

### U. S. and Foreign Exports Of Wheat and Flour Down



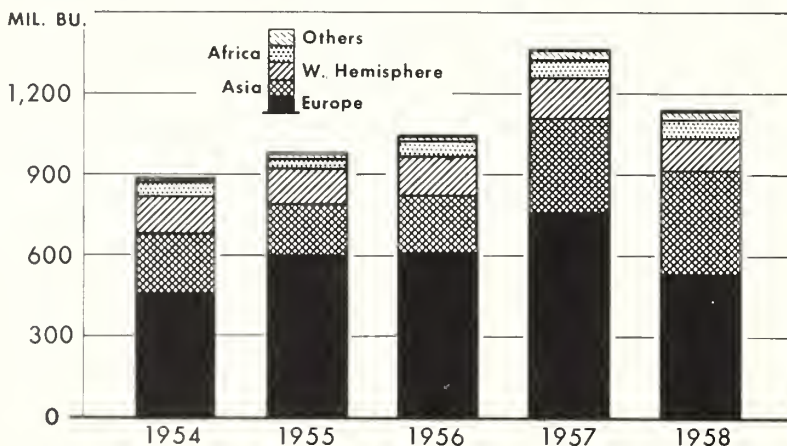
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The principal exporters are the United States, Canada, Argentina, and Australia. But there is also keen competition in good crop years from the Soviet Union, France, North Africa, Uruguay, Sweden, Syria, and Turkey. In addition, several traditional deficit countries, notably Italy and Belgium, have expanded production to such an extent under existing price supports for home-grown wheat that they now have surpluses of soft wheat. However, substantial quantities of hard wheat still must be imported, though Italy is attempting to become self-sufficient in hard wheat.

Europe and Asia continued as the world's largest importing areas. The U.S. share fell to 35 percent of the total in 1957-58 compared with 40 percent a year earlier. Canada's

### Europe & Asia World's Largest Wheat & Flour Importers



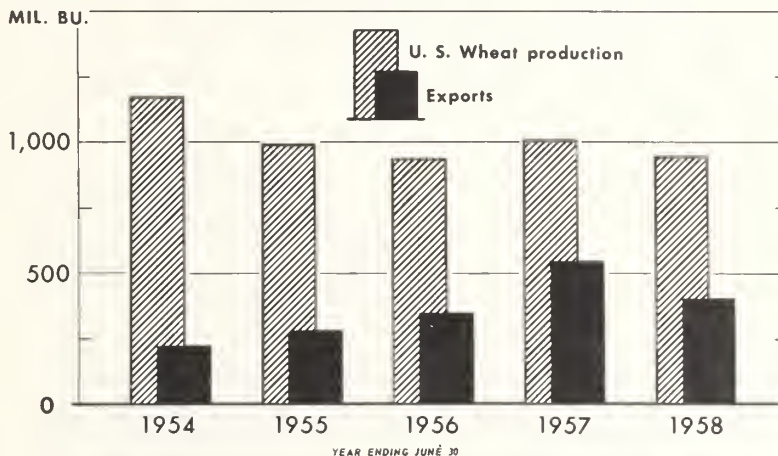
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share was larger--27 percent compared with 21 percent, owing to its relatively stable market in Europe and increased exports to India and Communist countries. Combined exports from other competing areas have accounted for a substantially increased share of world exports in recent years.

## Exports Equivalent to Nearly Half 1957-58 U. S. Wheat Crop



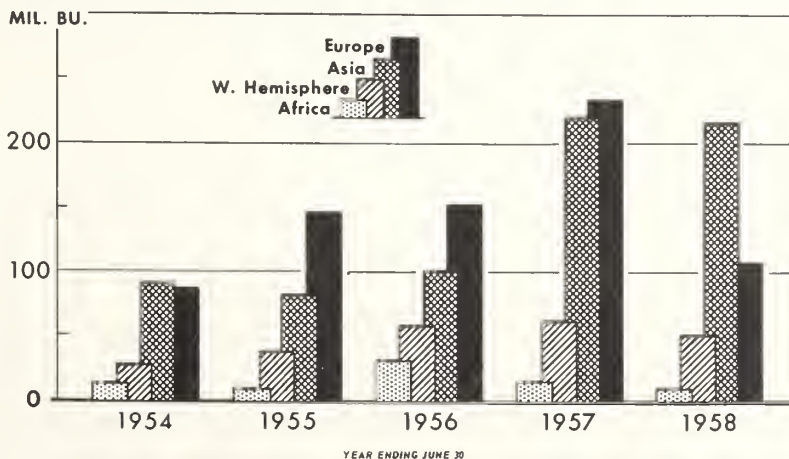
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**U.S. Exports Prospects in 1958-59.**--Exports of wheat and flour by the United States in 1958-59 are expected to total approximately 430 million bushels compared with 402 million a year ago, but they will probably be less than a third of the crop because of this year's record harvest. During the past 2 years, exports accounted for nearly half of the U.S. crop.

The principal reasons for the anticipated increase are the greater needs, especially in Western Europe, for wheat of good milling quality and the expectations of substantially larger exports to Far Eastern and Latin American markets. Though Europe will probably figure as the principal outlet for U.S. exports, it is interesting to note that in 1957-58 Asia topped Europe as a market for U.S. wheat and flour.

## Asia Replaces Europe as Top Outlet For U. S. Wheat and Flour Exports

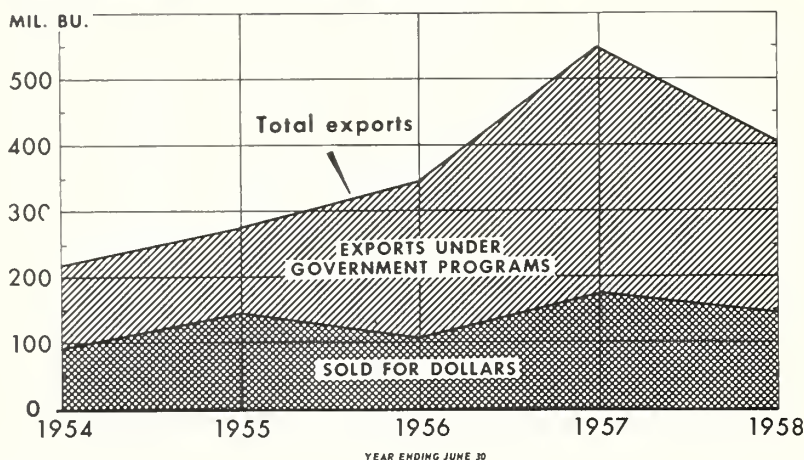


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Dollar sales are expected to increase, especially those to Europe and Latin America. Exports will be facilitated also by expectations of increased activities under special government programs, such as barter transactions and sales for foreign currencies under Public Law 480. In addition, export shipments of U.S. flour for distribution abroad by charity and relief agencies are expected to show a sizable increase over those of a year ago. Of the 401.4 million bushels of wheat and flour exported last year, 249.2 million (62.1 percent) were sold under government programs and 152.2 million (37.9 percent) for dollars.

### U. S. Dollar Wheat Export Sales Decline Less than Gov't. Program Sales



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Rye

FAS-NEG. 1673

World rye production for 1958 is forecast at 1.47 billion bushels, the largest outturn of any recent year, though somewhat below the prewar level. The increase occurred mainly in the Soviet Union, the world's largest producer and exporter. The larger crop in that country should more than offset a substantial reduction in this year's crop in Poland and other East European satellite countries. On the other hand, production in West Europe and Turkey is down from a year ago. United States rye exports are expected to reach 7 million bushels in 1958-59 (compared with 3.5 million last season), most of which will go to European markets.

Approximately 95 percent of the world's crop is grown in Europe including the Soviet Union and the satellite countries of Eastern Europe. While rye is mostly a stay-at-home crop, any substantial increase or reduction in the European crop, where large quantities are used for human food and for feeding livestock, has an important bearing on the demand for wheat and feed grains in Western Europe, the world's principal rye-importing area.

Table 3.--Rye: World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
North America.....	40,466	29,739	35,067	42,095
Western Europe.....	263,000	273,000	273,000	266,000
Eastern Europe.....	410,000	417,000	452,000	434,000
U.S.S.R. (Europe and Asia).....	690,000	625,000	600,000	650,000
Asia.....	22,700	22,280	27,560	18,000
South America.....	26,000	34,640	24,800	30,000
Total.....	1,445,000	1,405,000	1,415,000	1,470,000

## Rice

World production.--1958-59 will see an alltime record in total world rice production. Outturn, including that in Communist China, is currently estimated at 471 billion pounds (rough rice) compared with 425 billion a year ago and the previous record of 440 billion pounds in 1956-57. This represents an increase of 20 percent compared with the 1950-54 average. Even excluding Communist China, production will be larger than a year ago.

World acreages and production continue to rise, though not at a rate equal to increased requirements resulting from population gains and slightly rising standards of living. Acreage and production increases are largest in the Asian areas where some nine-tenths of the world's crop is grown. World supplies, therefore, continue to fall short of potential world requirements.

Table 4.--Rice (rough): World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
North America.....	6,514.8	6,296.7	6,240.4	6,750.6
Western Europe.....	3,266.3	3,022.7	2,979.3	3,269.0
Eastern Europe.....	297.6	409.5	397.2	375.0
Southwest Asia.....	1,922.4	1,833.9	2,128.3	1,989.3
East Central Asia.....	141,280.0	153,600.0	158,500.0	189,500.0
Other Asia.....	224,156.3	253,308.8	234,128.5	249,962.3
South America.....	9,918.2	12,052.7	11,831.9	11,801.2
North Africa.....	1,937.7	2,874.8	3,031.4	1,900.0
Central Africa.....	5,867.5	6,690.4	6,800.1	6,730.1
South Africa.....	27.8	54.2	54.0	55.0
Oceania.....	268.0	278.9	341.0	330.0
Total.....	394,009.2	439,693.7	424,778.8	471,158.2

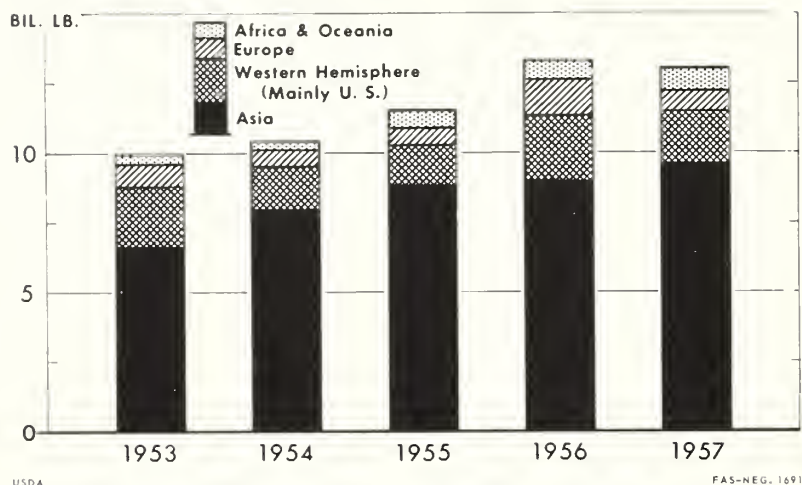
World Export Availabilities in 1959.--Export availabilities are determined largely by production in Burma, Thailand, the United States, and a few less important exporting countries, such as Italy and Egypt. With the exception of Egypt, where export availabilities will be reduced by a small crop, the volume available for export will be substantially larger in 1959 than in 1958. In addition, Communist China may continue to offer rice in international trade because of a reported record crop, but its actual exports are likely to be determined more by political decisions than by an overall domestic supply-demand pattern.

Except in the United States, unsold stocks of old-crop rice in the hands of exporters as of January 1, 1959, were at a low level, although in Burma substantial 1958 commitments were still unshipped. However, the larger new-crop supplies available for export from the principal surplus producing countries will tend to offset in most instances any reduction in carry-in stocks.

World rice exports in calendar 1958 will probably be less than the 13.7 billion pounds exported in 1957. Asian exporters shipped nearly 75 percent of the 1957 total. Burma accounted for 30 percent and Thailand for 27 percent. Other Far Eastern exporters were Cambodia, Vietnam, Taiwan, and Communist China. Approximately 15 percent of the world total was exported by Western Hemisphere countries. The United States, the world's third largest exporter, shipped 12 percent. Other main Western Hemisphere exporters were British Guiana, Ecuador, and Argentina.



## Asia Exports Three-Fourths Of Rice in World Trade



Europe's rice exports, which accounted for only 5.5 percent of the 1957 world total, were well below those of 1956. Reexports of rice usually are a significant part of the European rice trade, but these declined sharply in 1957. African countries exported 5.5 percent of world total. Egypt alone accounted for 4.7 percent. Madagascar exported a substantial volume, and Australia a small one.

**Probable 1959 Price Trends.**--World prices for poorer qualities and grades of rice, which make up a substantial part of the world's trade, are expected to decline in 1959 and will probably approximate the 1957 levels, thus wiping out the price advances of 1958. Substantial long-term commitments by exporters will tend to keep prices more stable than they would be if such commitments did not exist. However, any substantial offerings from Communist China could upset this calculation. Prices for higher grades and qualities are expected to remain fairly firm and to move in a rather narrow range.

**World Import Requirements, 1959.**--As estimated from supplies and anticipated price levels, the effective demand for rice should be greater in 1959 than in 1958. Stocks of rice in importing countries are better than average for Japan, Malaya, Ceylon, and Korea. Negligible carry-in stocks are probably held by Pakistan, India, Indonesia, and others.

The world still has the problem of a deficit in rice, mainly owing to the fact that it cannot be met through normal trade channels because importing countries have insufficient foreign exchange. The extent to which this unfilled demand can be met and the extent to which total supplies available in 1959 can be marketed will depend on the success of deficit countries in obtaining rice under some form of concessional sales.

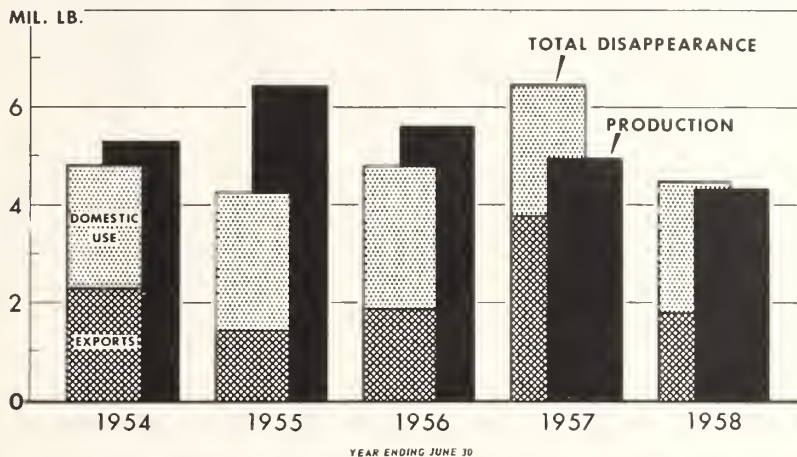
Population increases and a slowly rising standard of living are bringing about an increased demand for rice each year. These factors may be important enough to prevent any material building up of surplus stocks during 1959. Although supplies of rice are more plentiful in 1959, the effective demand is expected to be fairly well in balance with supplies.

**U.S. Export Prospects in 1959.**--Exports of rice from the United States in 1958-59 (August-July) are expected to total 27.0 million hundredweight (rough rice) compared with 18.3 million in 1957-58. Increases are expected in sales to North and South America and Europe. However, levels of cash sales based on domestic support prices are not likely to rise materially above those of the past 2 years. Increases are expected largely as a result of barter and other Commodity Credit Corporation sales for export. Cash sales under existing support prices were not visibly affected in 1958 when world prices increased for the lower grades and qualities. In general, the increased world supplies of rice in 1959 are not expected to have a marked effect on U.S. exports.



Rice exports from the United States have been an important factor in bringing total domestic utilization in line with production and also in disposing of old crop surpluses. Exports in 1956-57 were at a record level, raising total utilization well above production and thereby removing much old-crop rice from the supply.

## Exports Help Balance U. S. Rice Production and Disappearance



USDA

FAS-NEG. 1707

The record U.S. exports in 1956-57 reflect heavy shipments under Public Law 480 programs of calendar 1956 and 1957. The reduction in 1957-58 exports would have been considerably less had there been no committed stocks of unshipped rice at the end of the year. Movement of these unshipped quantities into export channels plus new programming for 1958-59 will increase exports over last year's level.

Restrictions on U.S. acreage put into effect by the government in cooperation with rice producers have reduced production to a point where the higher level of exports, including those under government programs on concessional terms, coupled with some increase in domestic use, will closely approximate the annual rice crop.

## Feed Grains

In line with rapidly increasing livestock numbers and gradual dietary improvements in many countries, world feed-grain production and consumption have shown marked upward trends in recent years. Production increases reflect not only an increasing world demand but also higher yields per acre resulting from improved seed, increased use of fertilizers, and the enterprise of producers in taking advantage of governmental price supports and other production incentives. Consumption increases are mainly in areas which enjoy relatively high levels of economic prosperity and which are therefore in a position to adopt better balanced diets and especially to increase their consumption of livestock and meat products.

Excluding grain sorghums, for which foreign production figures are not available, the world's 1958-59 production of feed grains (corn, oats, and barley) is estimated at 340 million short tons compared with 322 million in 1957-58 and the 1950-54 average of 288 million. The increase is due almost entirely to the world's record corn crop this year. World production of oats and barley increased only slightly above that of a year ago.

Corn.--The world's 1958-59 corn crop is tentatively estimated at an alltime high of 7.0 billion bushels compared with 6.6 billion last year and the 1950-54 average of 5.7 billion. The increase is mainly the result of a bumper U.S. crop--3.7 billion bushels compared with 3.4 billion a year ago; substantially larger crops in the Soviet Union and

Mainland China; slightly larger crops in Western Europe as a whole because of sharp increases in France and Italy; a moderate increase in Africa; and a bumper crop in Mexico. The crop in South America will be smaller than last year's because of a reduction in Brazil and possibly also in Argentina.

Acreage is showing an upward trend in virtually all producing countries except the United States, and is especially pronounced in the Soviet Union. In addition, much progress has been made in recent years in improved seed breeding techniques in order to obtain higher yields, and also in the increased use of hybrid corn. This type has been especially developed in the United States, but a number of foreign countries now are also devoting attention to hybrids. These developments are particularly significant since corn is the most important feed-grain export of the United States.

Most of the world's corn is fed to livestock on farms where it is grown, and additional quantities are converted into concentrated feed. Only relatively small quantities are ground into flour or meal for human consumption, except in a few countries, notably parts of Latin America, Africa, and the Far East. Large quantities are also manufactured into such products as glucose, starch, oil, alcohol, and breakfast foods. The world demand for all of these purposes serves to keep corn in top position as the world's most important coarse-grain export.

Table 5.--Corn: World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	3,330	3,708	3,651	3,973
Western Europe.....	200	265	250	265
Eastern Europe.....	390	425	625	495
U.S.S.R. (Europe & Asia).....	190	500	300	<sup>1</sup> 450
Asia.....	725	745	715	830
Africa.....	360	430	400	420
South America.....	450	490	600	560
Oceania.....	5	5	5	6
Total.....	5,650	6,570	6,550	7,000

<sup>1</sup> Tentative unofficial estimate..

Oats.--World production of oats this year is estimated at 4.16 billion bushels, an increase of 4.1 percent compared with last year's 3.95 billion but about the same as the 1950-54 average of 4.15 billion. The increase is the result of much larger crops in the United States and Canada and prospects for substantially larger crops in South America and Australia. These increases will more than offset large reductions in both Western and Eastern Europe and the Middle East. Production in Western Europe, which takes most of the oats moving into export channels, was 25 million bushels less than last year's below-average crop.

The upward trend in world oats production since the end of World War II has been a direct result of increased yields per acre, the total area devoted to that grain having declined from the 1950-54 average of 128.7 million acres to 113.7 million in 1958. Oats are used primarily as feed for cattle on the farms where grown. Comparatively little enters into world trade. However, a substantial portion of the world's crop, especially the better qualities, is ground into oatmeal or manufactured into rolled oats and breakfast foods for human consumption.

Table 6.--Oats: World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	1,703	1,690	1,692	1,827
Western Europe.....	1,020	1,075	880	855
Eastern Europe.....	355	350	385	360
U.S.S.R. (Europe & Asia).....	835	875	800	( <sup>1</sup> )
Asia.....	110	110	105	100
Africa.....	21	15	15	15
South America.....	67	92	82	88
Oceania.....	44	47	37	62
Total.....	4,155	4,425	3,955	4,160

<sup>1</sup> Tentative unofficial estimate included in world total.

**Barley.**--World barley production in 1958 is now forecast at 3.2 billion bushels, 75 million bushels more than last year. The 1950-54 average is 2.7 billion. The largest increases are in North America, Africa, and the Soviet Union. Smaller but substantial increases are forecast for South America and Australia. These gains more than offset large reductions in Eastern Europe and Asia and a small reduction in West Europe.

Barley has two main uses--in livestock feeding and in the malting industry for beer. Consumption as food is relatively small, but it is used in some countries to supplement supplies of wheat or rice. Feed barley, which constitutes the greater part of the world's crop, can be grown wherever soil and climatic conditions are suitable for wheat and other cereals. As a feed grain it competes with corn, oats, low-grade wheat, rye, and grain sorghums. Its cost in relation to these grains is a dominant factor in its marketing as a cash crop. Types suitable for brewing, on the other hand, can be grown only in certain kinds of soil. Most malting barley is produced in certain parts of the United States, Denmark, Germany, Poland, the United Kingdom, the Soviet Union, the Danube Basin countries, and Chile.

Table 7.--Barley: World production by area, average 1950-54, annual 1956-58

Area	Average 1950-54	1956	1957	1958
	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>	<i>Million bushels</i>
North America.....	519	655	660	719
Western Europe.....	560	840	770	765
Eastern Europe.....	215	215	265	225
U.S.S.R. (Europe & Asia).....	350	525	400	( <sup>1</sup> )
Asia.....	805	840	870	815
Africa.....	145	155	85	140
South America.....	63	87	72	80
Oceania.....	34	54	34	43
Total.....	2,690	3,370	3,155	3,230

<sup>1</sup> Tentative unofficial estimate included in world total.



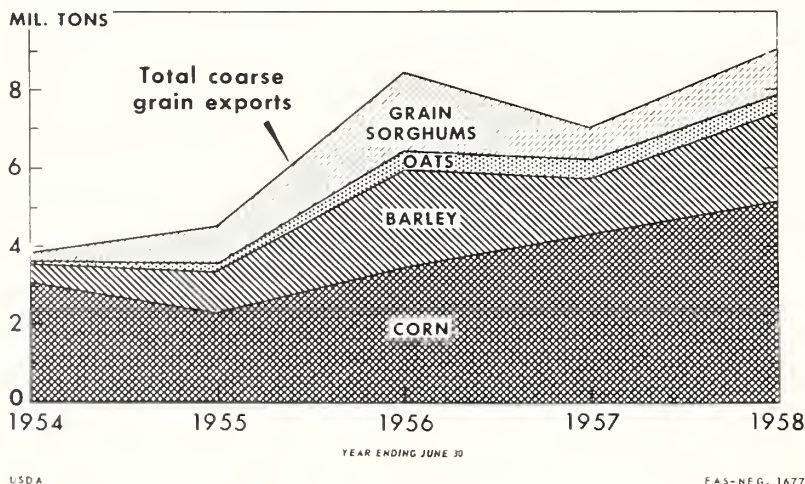
**Grain Sorghums.**--Lack of foreign production statistics makes it impossible to venture an estimate of world grain sorghum production. The crop is of importance in the agriculture of many countries in the Far East, the Near East, and Africa, where it is used extensively for human food as well as for feeding livestock. Principal producing countries in these areas are China, India, the Soviet Union, Turkey, Syria, French West Africa, Nigeria, Morocco, the Sudan, and the Union of South Africa.

Owing to its excellent value as a feed grain, it has become an important crop in parts of the United States and to a lesser extent in Argentina and Australia where the climate is too hot and dry to grow corn successfully. During the past 10 years, production in the United States and foreign demand for U.S. grain sorghums increased to a point where that grain now competes with barley for second place in the Nation's feed-grain exports. Supplies available during the 1958-59 marketing season (October-September) are the highest on record because of a record crop and October 1 carry-in. There is a special need, therefore, to develop export outlets for U.S. sorghums.

**World and U.S. Exports in 1957-58.**--World feed-grain exports in 1957-58 are roughly estimated at 18.5 million short tons compared with 18 million tons in 1956-57. The principal suppliers were the United States, Argentina, and the Union of South Africa for corn; Argentina, Canada, and the United States for oats; the United States, Canada, France, the Middle East, Argentina, and Denmark for barley; and the United States, Argentina, the Union of South Africa, and the Sudan for grain sorghums. Western Europe continues as the most important market for feed grains.

Exports from the United States last year reached a new record of 9.3 million short tons. This was 26 percent over 1956-57 exports and 10 percent above the previous record in 1955-56. Main reasons for the increase were substantially lower corn, oats, and barley crops in Europe; the high quality of Europe's 1957 wheat crop and a consequent reduction in competitive supplies of feed wheat; and increased shipments of corn to Mexico under Public Law 480.

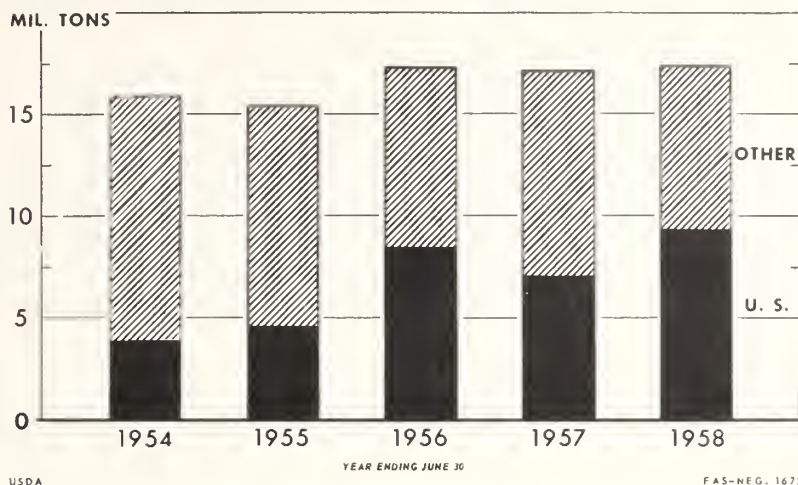
### All Types of U. S. Coarse Grains Show Export Increase



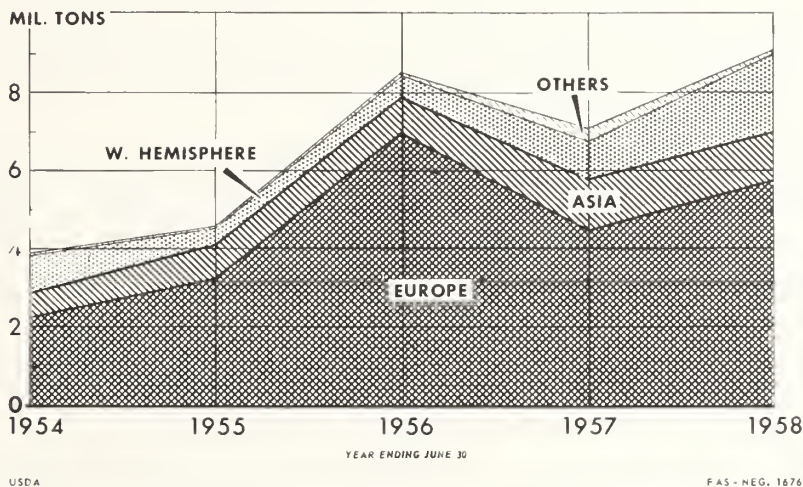
The record U.S. exports last year represented about half of the estimated world total. Europe continued as the biggest U.S. market, taking 5.9 million tons, or 63 percent of the U.S. exports. Chief buyers in that area were the United Kingdom, the Netherlands, Belgium-Luxembourg, West Germany, Austria, Poland, and Italy. Shipments to Western Hemisphere markets, principally Mexico, amounted to 1.8 million tons, or 19 percent of the total. Buyers in Asia, principally Japan, South Korea, and Israel, took 1.4 million tons, or 15 percent. The remaining 3 percent went largely to South American and African destinations.



## U. S. Coarse Grain Exports Now More than One-Half the World Total



## W. Europe Biggest Export Market For U. S. Coarse Grains



Approximately 76 percent (7.0 million short tons) of the large U.S. exports 1957-58 were cash sales. The balance was exported under various government programs, principally Title I of Public Law 480. In 1956-57, only 40 percent (2.8 million tons) were cash sales.

U.S. Export Prospects in 1958-59.--U.S. exports of feed grains were at a high level during the first half of 1958-59 (July-December). Should they continue so during the balance of the marketing season, the year's total would exceed the record shipments of 1957-58 by a substantial margin. However, heavy supplies of feed wheat available in Europe this year may be reflected in a substantially lower demand in that area during the balance of the year (January-June).

For individual feed grains, expected 1958-59 exports, together with comparisons for 1957-58, are shown below:

	Corn	Oats	Barley	Grain sorghums
	Mil. bu.	Mil. bu.	Mil. bu.	Mil. bu.
1957-58 .....	195.2	28	92	42
1958-59 .....	190	25	100	70

The aggregate total for 1958-59 is estimated at 10.1 million tons. Chief reasons are a greatly reduced corn crop in East Europe, especially in Yugoslavia; smaller crops of oats and barley in both West and East Europe, and of barley in Asia; continued expansion in livestock and poultry numbers in foreign countries; and prospects for increased exports under U.S. Government programs.

### Foreign Grain Production and Export Incentives

Foreign governmental policies on production, trade, and prices have constituted one of the most important factors affecting the competitive status of U.S. grain and grain products in world markets during the past 25 years. Price alone is no longer the outstanding factor. Virtually all grain-importing countries have adopted policies designed to make themselves more self-sufficient. Most exporting countries, on the other hand, have taken action to maintain or expand production and assure export outlets for their surpluses.

For both importing and exporting countries, the overall objective is maintenance of desired levels of agricultural income and satisfactory balances of foreign currencies.

Many measures have been adopted to attain those objectives. In importing countries, they include producer price supports; subsidies for such production requisites as fertilizers, machinery, and motor fuels; compulsory utilization of specified percentages of home-grown grains; subsidies to flour mills, bakers, processors, and consumers to soften the impact of high support prices for home-grown grain; and import controls through tariffs, country and global quotas, import licensing systems, foreign exchange controls, bilateral trade agreements, and government import monopolies.

In exporting countries, such measures consist mainly of steps to facilitate the sale of surpluses abroad while at the same time assuring to the grower returns that will not fall below a minimum guaranteed for the entire crop. They include government monopolization of exports; sales on special terms or at favorable exchange rates; barter and other bilateral agreements; producer price supports; and more or less indirect subsidies through arrangements for the government to absorb losses on exports.

The effect of these measures in grain-importing countries has been to stimulate more intensive cultivation and increased production, even though costs are much higher than in exporting areas; encourage production of high-yielding varieties, sometimes at the expense of quality, as in the case of wheat; require flour millers to make adjustments in milling procedures in accordance with continually changing extraction and incorporation rates; increase the technical difficulties involved in making flour of desired quality; force millers, processors, and feeders to pay more for home-grown grain than for grain which could have been imported; increase consumer prices for grain and grain products except where protected by subsidies and other measures; and increase supplies of relatively low grade home-grown wheat to such an extent in several deficit countries that their governments had to adopt subsidized diversion to feed use and export.

Action on the part of one deficit producing nation after the other during the past quarter century to maintain producer prices at artificial levels and to control imports forced other importing as well as exporting countries to adopt compensatory measures. Once actively under way, the cumulative effect of supports and countersupports, aids and counter aids, restrictions and counterrestrictions has been to bring about extremely serious disturbances to the world's grain production, marketing, and price structure. Such policies and programs have not only interrupted normal trade by encouraging uneconomic production in many countries, but have tended also to bring about overproduction and underconsumption.

Table 8.--Grains: Support prices<sup>1</sup> in specified countries for the crops of 1957 and 1958

Country	Wheat		Rye		Corn		Oats		Barley	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
United States.....	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel	Dollars per bushel
Canada.....	2.00	1.82	1.18	1.10	1.40	1.36	0.61	0.61	0.95	0.93
Australia.....	1.43	1.43	--	--	--	--	.61	.61	.98	.98
Argentina.....	1.59	1.62	--	--	--	--	--	--	--	--
France.....	1.34	2.27	.94	.99	1.57	1.69	.55	.57	.75	.93
Sweden.....	2.17	2.33	1.62	1.74	2.18	2.40	--	--	1.36	1.48
Uruguay <sup>2</sup> .....	2.29	2.13	1.94	1.79	--	--	--	--	--	--
Turkey.....	2.14	2.52	--	--	--	--	--	--	--	--
Union of South Africa.....	3.89	3.89	2.90	2.90	--	--	1.45	1.45	2.18	2.18
Austria.....	2.22	2.22	--	--	1.18	1.16	.75	.80	1.26	1.41
Belgium <sup>3</sup> .....	2.62	2.62	2.25	2.25	--	--	--	--	--	--
Brazil.....	2.56	2.56	--	--	--	--	--	--	--	--
West Germany.....	2.69	2.84	--	--	--	--	--	--	--	--
Italy.....	2.83	2.85	2.52	2.47	--	--	1.09	1.08	1.98	2.00
Japan.....	3.03	3.03	--	--	--	--	--	--	--	--
Pakistan.....	2.77	2.77	--	--	--	--	--	--	4 2.17	4 2.17
United Kingdom.....	1.77	1.90	--	--	--	--	--	--	--	--
Switzerland.....	2.14	2.12	1.55	1.55	--	--	1.10	1.10	1.74	1.74
Ireland.....	5 4.15	4.15	3.38	3.38	--	--	--	--	--	--
Netherlands.....	2.21	2.21	--	--	--	--	--	--	1.74	1.74
Portugal.....	2.04	2.11	1.46	1.83	1.64	(6)	.91	.92	1.46	1.49
Spain.....	2.85	2.85	2.13	2.13	1.95	1.95	--	--	1.37	1.37
Norway.....	3.14	3.21	2.27	2.19	--	--	--	--	--	--
Greece.....	3.43	3.43	2.42	2.42	--	--	1.10	1.10	1.92	1.92
Mexico.....	2.46	2.46	--	--	--	--	--	--	--	--
New Zealand.....	1.99	1.99	--	--	1.32	1.63	--	--	--	--
Chile.....	8 1.76	1.94	--	--	--	--	--	--	--	--
Colombia.....	9 1.42	2.00	--	--	--	--	--	--	--	--
	3.24	3.48	--	--	10 1.47	10 1.26	--	--	--	--

<sup>1</sup> Fixed or average guaranteed prices for standard grades during base periods, converted to dollars per bushel at official exchange rates, except as otherwise indicated. <sup>2</sup> 1958 price is tentative; prices converted at principal export rate of exchange. <sup>3</sup> Directional price. <sup>4</sup> Averages for common and naked barley. <sup>5</sup> Averages for 5 grades. 1958 price is unofficial. <sup>6</sup> Not available. <sup>7</sup> Converted at principal import rate of exchange. <sup>8</sup> Average for the South Island and the North Island. <sup>9</sup> Average base price for the year. <sup>10</sup> Average for first harvest.



## DRY BEANS AND PEAS

An exceptionally good export demand for U.S. dry beans and peas in 1958-59 reflects smaller crops and carry-in stocks this year in major European importing countries, reduced export availabilities in the surplus producing countries of Eastern Europe and Africa, and a smaller bean crop in Brazil. The competitive status of these U.S. products in world markets continues to be affected by shortages of dollars and rigid import controls in many countries. In some countries, duties and other taxes are so high as to constitute a virtual embargo on imports. An additional factor is that domestic price supports for U.S. beans make the U.S. product non-competitive in several European markets, particularly in those that have no distinct preference for top-quality beans.

### Beans

Preliminary estimates indicate that dry bean production in the principal Free World producing countries in 1958-59 will approximate 92 million bags (100 pounds each) compared with 88 million last year. The increase is due mainly to a bumper crop in the United States and substantially larger crops than a year ago in Japan, Mexico, and Italy.

The crop in several countries of West Europe, the principal bean-importing area, was damaged by wet weather, especially in France. Reports from the Balkans, the principal European exporting area, indicate that the crop there was damaged by drought to such an extent that earlier anticipated export availabilities had to be reduced by at least a third. The damage was especially severe in Yugoslavia.

There are also indications of below-normal crops and reduced export availabilities in Africa, including Ethiopia and Angola, two of the more important exporters. No estimates are available as yet with respect to the 1958 crop in Mainland China and Burma, which normally have exportable surpluses.

In Latin America, both Mexico and Cuba had larger crops this year, especially Mexico. These countries are large importers of beans. Mexico's good harvest fore-shadows smaller U.S. exports of pinto beans to that country this year, but production in Cuba is still low, indicating a continued good import demand for U.S. beans in that market. Brazil's crop was 2.4 million bags under the 34.9 million bags produced last year.

The 1958 bean crop in the United States--18.8 million bags--is the largest in 10 years. The United States is the world's largest exporter, supplying from a third to a half of the world's total exports. The 2.0 million to 2.5 million bags annually exported by the United States in recent years represented around 18 percent of the crop.

Indications are that world carry-in stocks of beans were below normal this year, mainly because of the small crops in the United States and Chile in 1957. Very high world market prices for white beans in the latter part of the past season reflected the stocks situation. The reduced stocks, combined with indications of lower than normal production of white beans in Europe, especially in East European exporting areas, have greatly strengthened the export demand for U.S. white beans in 1958-59. Total U.S. exports this year should exceed by a substantial margin the 1.9 million bags (100 lbs. each) exported last year.

### Peas

Quantitative estimates for the 1958 pea crop are not yet available for most foreign producing countries. However, the belief is that the crop will prove to be short in most of them. Europe will have a below-average crop because of damage by wet weather. Reports from Morocco, an important exporter, indicate that its crop will also be below average.

The 1958 crop in the United States--estimated at 2.4 million bags--is the smallest in many years. The United States is the third largest exporter of dry peas, being exceeded



only by the Netherlands and Morocco. U.S. exports in recent years have ranged from 600,000 to more than 1,000,000 bags. While there is an active export demand at good prices for U.S. peas this year, exports are not likely to reach the 1957-58 level of 1.1 million bags because of the short U.S. crop.

## SEEDS

The world outlook for grass and legume seeds during the 1958-59 crop year indicates smaller supplies and higher prices. In contrast with 1957-58, when supplies were more nearly normal and prices substantially lower, the current season was plagued with unfavorable weather in many producing countries. Supplies this year are much smaller and prices have advanced sharply.

U.S. exports of seeds in 1957-58 totaled 85.8 million pounds compared with 81.2 million in 1956-57. Current indications are that 1958-59 exports will compare favorably with those of last year. While virtually every country in the world purchased some U.S. seeds last year, Canada was the major market. Other substantial buyers included West Germany, France, Netherlands, Italy, the United Kingdom, Mexico, and Japan. The bulk of the exports consisted of grass and legume seed, seed corn, and other field seeds.

U.S. exports of grass and legume seeds in 1957-58 exceeded those of 1956-57 by 6.9 percent, and were the second largest since World War II. However, because of the low level of prices, the value of such exports was 16 percent below that of the preceding year.

The substantial U.S. exports of grass and legume seeds in the crop year just closed were due mainly to the low level of prices rather than to any marked shortages in importing countries. This year, it is likely that U.S. exports will continue in substantial volume to many European producing areas, where shortages are reported, and to other areas, especially Japan and South America, which have government programs to improve forage resources.

Canadian production of red fescue is substantially greater than in 1957. This will help to offset the smaller red fescue crop in the United States. However, Canadian production of other grass and legume seeds, while above last year's short crop, is still below average and imports from the United States will be necessary.

The 1957-58 grass and legume seed harvests in New Zealand were small and it is expected that the combination of dry weather and the use of pastures for grazing have adversely affected the 1958-59 harvests. This shortage will reduce New Zealand's competition with U.S. supplies in world markets and probably increase demands for U.S. grass and legume seeds.

Because of below-normal vegetable seed harvests in important European seed producing areas, a substantial increase in shipments to Europe is expected. Shipments of vegetable seeds to other consuming areas are expected to continue at approximately the same level as last year, although reduced competition from European exporters may favor increased shipments from the United States.

The 1957-58 exports of seed corn from the United States were materially below those of the preceding year. Smaller shipments to Eastern European countries and to West Germany accounted for much of the decline. Because of the unfavorable growing season in Europe this year, this downward trend probably will be reversed and it is expected that 1958-59 shipments will be larger.

Exports of flower seeds in 1957-58 were smaller than in the preceding year. No information is available as to probable foreign demand during the 1958-59 season. However, the same weather factors that reduced foreign production of forage crop and vegetable seeds may favor an increased volume of flower seed imports from the United States in 1958-59.

Other U.S. field seed exports were relatively high in 1957-58, being the second largest since 1946-47. Because of short domestic supplies, it is unlikely that U.S. exports of such seeds during 1958-59 will equal those of last year.

Table 9.--Seeds: U.S. exports, quantity and value, average 1946-50, annual 1951-57

Year beginning July 1	Grass & legume	Other field	Seed corn	Vegetable	Sugar beet	Flower	Total
Quantity							
Average:	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
1946-50.....	21,099	8,852	<sup>1</sup> 22,605	6,962	4,728	219	59,884
Annual:							
1951.....	13,945	4,330	13,384	3,465	852	195	36,171
1952.....	7,404	1,079	11,088	3,254	849	174	23,848
1953.....	26,663	65,976	13,272	4,057	647	158	110,773
1954.....	49,953	5,468	15,568	4,030	810	227	76,056
1955.....	31,199	6,837	43,680	4,122	100	153	86,091
1956.....	42,974	11,238	21,484	4,568	723	250	81,237
1957.....	45,927	15,846	18,592	4,996	271	214	85,846
Value							
Average:	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
1946-50.....	5,802	921	<sup>1</sup> 1,709	3,928	1,316	359	13,351
Annual:							
1951.....	3,637	459	1,123	1,935	142	359	7,655
1952.....	2,705	83	926	3,049	143	324	7,230
1953.....	6,491	1,625	855	2,688	123	395	12,177
1954.....	14,985	420	1,187	2,956	173	614	20,335
1955.....	6,831	704	3,672	3,249	19	570	14,885
1956.....	13,476	913	1,755	3,494	186	560	20,384
1957.....	11,372	782	1,624	3,040	56	605	17,499

U.S. Bureau of the Census.

<sup>1</sup> 3-year average.

## HOPS

The world's 1958-59 hops crop is tentatively estimated at an alltime record of 168 million pounds, exceeding the previous record of 154.5 million pounds in 1951-52 by 9.0 percent. This estimate includes the crops harvested in the Northern Hemisphere in the late months of 1958 and in the Southern Hemisphere in the early months of 1959. The upward trend reflects increased acreage as a result of producer response to high prices for hops in world markets during the past 2 years and a steady upward trend in world beer consumption.

World beer production and consumption have been increasing rapidly in recent years. Production in 1958 is estimated at roughly 325 million barrels of 31 gallons each. Hops usage per barrel varies considerably from country to country and has been declining, but an average of approximately 0.35 pounds per barrel would probably be a reasonable estimate. On that basis, the world's annual brewery consumption of hops would currently be in the neighborhood of 115 million pounds.

Table 10.--Hops: World production, average 1950-54, annual 1956-58

Country	1950-54	1956-57	1957-58	1958-59
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
United States.....	53,627	38,383	40,135	48,407
Canada.....	1,928	1,445	1,301	1,400
United Kingdom.....	33,400	20,627	29,979	33,312
Czechoslovakia.....	10,976	10,786	10,627	13,779
Germany, West.....	28,749	31,027	32,215	36,596
Germany, East.....	( <sup>1</sup> )	697	1,102	1,100
France.....	4,442	3,704	3,571	4,960
Belgium.....	2,324	1,819	2,745	3,307
Spain.....	( <sup>1</sup> )	651	772	800
Poland.....	( <sup>1</sup> )	1,409	3,183	3,000
Yugoslavia.....	2,874	5,137	5,842	6,173
U.S.S.R.....	( <sup>1</sup> )	6,465	8,818	8,037
Other Europe.....	( <sup>1</sup> )	127	132	132
Japan.....	1,235	1,769	1,815	2,205
Australia.....	3,066	2,826	3,520	3,700
New Zealand.....	1,002	1,004	885	1,000
Union of South Africa.....	344	182	154	185
Argentina.....	149	192	245	300
Total.....	144,116	127,604	147,041	168,293

<sup>1</sup> Not available.

Indications are that reserve stocks in most countries are at rather low levels. Should breweries build up sufficient reserves in 1958-59 to cover at least 6 months' requirements, their actual requirements for the year would have to be increased by 57.5 million pounds to a total of about 173 million pounds. While admittedly rough guesses, these estimates confirm the opinion of many foreign breweries that world hops production in recent years has not kept pace with actual requirements.

U.S. exports of hops reached a record of 16.9 million pounds in 1957-58--36 percent of the crop. A year earlier, exports totaled 16.0 million pounds. The average for the

Table 11.--Hops: United States exports, by area, averages 1946-55, annual 1954-57<sup>1</sup>

Destination	Average		1954	1955	1956	1957
	1946-50	1951-55				
	Pounds	Pounds	Pounds	Pounds	Pounds	Pounds
North America....	4,608,701	4,835,693	4,902,021	4,150,744	4,826,872	5,053,158
Central America..	174,695	252,688	261,327	217,214	231,960	294,916
Caribbean.....	417,671	328,801	254,497	361,360	286,221	370,438
South America....	4,331,555	4,300,460	4,087,788	2,868,257	3,931,289	5,180,671
Europe.....	1,675,366	2,120,015	2,017,026	1,360,481	5,512,543	5,097,722
Africa.....	442,002	302,938	405,928	650,094	691,355	603,357
Asia.....	380,494	623,995	289,329	295,455	531,229	316,521
Oceania.....	718,605	143,138	---	259,998	---	552
Total.....	12,749,089	12,907,728	12,218,016	10,163,603	16,011,469	16,917,335

Source: Bureau of Census, U. S. Department of Commerce.

<sup>1</sup> Year beginning September 1.



5-year period ending with 1954-55 was 12.9 million pounds. Distribution of the 1957-58 exports was as follows: Western Hemisphere--mainly Canada, Brazil, Colombia, and Chile; Europe--principally West Germany, Belgium-Luxembourg, Switzerland, Ireland, the Netherlands, and Denmark; Africa--largely the Union of South Africa and the Belgian Congo; and Asia--chiefly the Philippines, Korea, Ceylon, India, and Formosa.

Price and quality considerations are the main factors determining the level of U.S. exports. In 1958-59, these exports are expected to continue at a high level despite substantially increased production in European exporting countries. However, they are not likely to be as high as a year ago, and prices will be lower. Total exports of 14 million to 15 million pounds would be a conservative estimate.

Factors supporting this belief include (1) indications of low carry-in stocks in many importing and exporting countries; (2) continued upward trends in beer consumption as a result of increases in consumer purchasing power; (3) availability of U.S. hops of excellent quality at lower prices than those charged for the European product; (4) growing realization by foreign breweries that U.S. hops are excellent for making so-called light beers, the demand for which is increasing; and (5) the fact that while world supplies, despite increased production, would still be substantially below world requirements should breweries decide to build up reserves sufficient to cover 6 months' requirements.

## DEVELOPMENTS IN BUILDING FOREIGN MARKETS

The foregoing analyses of the 1958-59 world supply and demand situation for the several commodities handled by the FAS Grain and Feed Division and of factors affecting the competitive status of those U.S. products in world markets pinpoint the urgency of continued concentration on steps that can be taken by the government and industry individually and cooperatively to assure maintenance and expansion of U.S. export outlets for those products.

Much of the work of the Division continues to be aimed in that direction. This involves not only on-the-spot surveys of foreign market potentialities but also preparation and implementation of market development projects. The latter take the form of trade promotional projects in individual countries and bringing foreign trading and consuming interests to the United States to make first-hand studies of the quality of the U.S. product and observe U.S. methods of marketing and utilization.

### Market Surveys

A survey of the market potentialities of any country or area is an essential prerequisite to the development and implementation of programs aimed at expanding export outlets for U.S. agricultural products. Such surveys must include levels of domestic production compared with actual requirements, consumer preferences and trends, extent of the competition from other exporting countries, governmental programs and policies which restrict imports, and other factors affecting the competitive status of the U.S. product.

Most of the market surveys and trade promotional activities are conducted cooperatively under agreement with various producer and industry groups and educational institutions. The projects are financed partly through the use of foreign currencies accruing from sales under Title I, Public Law 480, and partly by contributions of the individual cooperating groups.

Such cooperative activities in the past several years have been carried out in virtually every corner of the globe. Cooperating groups during 1957-58 include the following: The Nebraska Wheat Growers' Association; the Kansas Wheat Growers' Association; the Oregon Wheat Growers' League; Washington Association of Wheat Growers; Oklahoma Wheat Research Foundation; Millers' National Federation; National Federation of Grain Cooperatives; Leland Stanford Junior University and Michigan State College; Western

Bean Dealers, Inc., of Twin Falls, Idaho; Pacific Northwest Pea Growers' and Dealers' Association; United States Rice Export Development Association; Oregon Seed Council; and the Pacific Seed Export Market Institute. The following surveys were made during 1957-58.

Wheat.--On-the-spot studies of market potentialities for U.S. Hard Red Winter Wheat were made by three groups representing USDA, the Nebraska and Kansas Wheat Commissions, and the Millers' National Federation. The groups studied markets in Europe, the Central American-Caribbean area, and South America to obtain authoritative information on market conditions and the competitive position of U.S. wheat and wheat flour and possibilities for expanding U.S. export outlets in those areas. Following evaluation of the surveys, specific market development projects have been or soon will be undertaken in the various countries.

Conditions, problems, and local needs were found to differ substantially in the three market areas covered by the teams. Definite need for better representation of U.S. wheat producer interests among end-users was apparent in most of the areas. Government purchasing agencies or methods in some countries hindered efforts of millers and bakers to obtain certain specific kinds of wheat from the United States. In other cases, lack of experience in dealing with U.S. exporters or U.S. wheat itself also caused difficulties.

In all of the areas, U.S. wheat and flour meet with strong competition from Canada, Argentina, and, to a lesser extent, from Australia, France, and other sources. In most countries experiences of local individuals with U.S. wheat have led them to regard it as secondary in quality to Canadian wheat and, in some cases, to Argentine wheat. The teams found, however, that the attitude toward U.S. wheat could be improved by explaining milling demands, handling practices, and the variety of classes and qualities of wheat available in the United States.

The surveys revealed no huge, untapped market outlets for U.S. wheat and flour. However, they indicated a generally favorable outlook for competitively priced U.S. wheat and flour, with prospects for expanding wheat markets in several Western Hemisphere areas and for continued large shipments of good milling quality wheat to Western Europe.

Another survey was made of market potentials for U.S. wheat and flour in Senegal, French Sudan, French Guinea, Sierra Leone, Ivory Coast, Ghana, Nigeria, French Cameroon, French Equatorial Africa, Belgian Congo, Northern and Southern Rhodesia, and Angola. The study was made under a project-agreement between the Foreign Agricultural Service and the Board of Trustees of the Leland Stanford Junior University.

The primary objective of the investigation was to obtain basic information that would be useful in planning market development projects for those areas. The study included (1) historical trends of wheat and flour imports; (2) trends in consumption of bread and other wheat products; (3) development of local milling and baking industries; (4) government policies and restrictions on wheat and flour imports; and (5) appraisal of the probable growth of wheat and flour imports.

Rice.--Market surveys were completed in some 20 major rice importing and exporting countries of Asia and Latin America. They were conducted by missions of 4 to 5 members each, with industry representatives selected by the U.S. Rice Export Development Association.

Special attention was devoted to developments likely to take place in rice production, processing, trade, and consumption patterns during the next 5 or 10 years.

Because of the large numbers of producers and processors represented by the various members of the teams, the surveys provided all segments of the U.S. rice industry and trade with a basis for evaluating the world's supply and demand situation in terms of advisable U.S. production and trade policies for the years immediately ahead. Similar surveys covering other rice importing and exporting countries will be made in 1958-59.



Feed Grains.--On-the-spot surveys of current and probable future feed-grain requirements were made in 10 European countries and in Israel and Turkey by the National Federation of Grain Cooperatives. An important objective was to determine potential market outlets for U.S. feed grains in those countries as a result of improvements in dietary standards, especially increased consumption of the end products (livestock, dairy, and poultry products) resulting from the use of feed grains.

The survey revealed that (1) upward trends in living standards and diets in all of the countries visited are being reflected in increased consumption of such high-protein foods as livestock, dairy, and poultry products, especially in the more highly industrialized countries; (2) increasing demands for such foods are resulting in a rapid expansion in animal and poultry husbandry, particularly the latter, a phenomenal expansion in the broiler industry being expected in the next 10 years; (3) feed-grain production is an important part of the agricultural economy in most of the countries, but many of them must supplement domestic supplies with imports; (4) there is a tendency to purchase from soft-currency countries and countries with which favorable trade balances prevail; (5) while the more industrialized countries have sufficient dollar exchange to buy U.S. feed grains, dollar shortages in less developed countries make it difficult for them to buy from the United States; (6) the countries visited are thinking more in terms of trade than aid; and (7) the effective demand for U.S. feed grains could be increased substantially with adoption of appropriate market development projects.

A research study, also completed during the year on the outlet for U.S. feed grains in West Germany, shows that the full potential of the German market has not been reached, especially when consideration is given to the excellent competitive position of U.S. feed grains. The importance of the German market stems from the fact that the country's agricultural economy is based largely on livestock. With domestic feed-grain production some 2 million to 3 million tons less than requirements, the gap has to be filled by imports.

The United States in recent years has supplied from 20 to 25 percent of the country's total feed-grain imports. The principal factors favoring increased imports from the United States are West Germany's large dollar balance and the fact that U.S. prices are competitive. Principal competitors are Argentina, the Union of South Africa, Canada, France, Morocco, Australia, and Denmark. Factors working against increased imports from the United States are government control over imports; bilateral trade agreements favoring imports from competing countries even though supplies could be obtained at lower prices from the United States; consumer preferences favoring certain feed grains from countries other than the United States; and the fact that the lower cost of U.S. feed grains is to a large extent offset because of governmental price supports for home-grown feed grains.

Beans.--A survey of Latin American market potentialities for U.S. beans revealed that (1) demand for beans in that area is increasing at the rate of 1 million bags annually because of growing population, increasing industrialization, urban growth, and higher wages; (2) rising imports of beans and high prices can be attributed to the fact that domestic production is not keeping pace with market requirements; (3) any increased demand for U.S. beans will depend upon maintenance of current high rates of consumption without overstimulation of domestic production; and (4) any substantial increase in imports of U.S. beans by those countries will depend on removal of or reduction in existing tariff duties and other import restrictions, market promotional activities for individual classes of U.S. beans, and lower ocean freight rates.

A survey of market potentialities for U.S. beans in Western Europe, the largest foreign market for U.S. white beans, showed (1) consumption of beans is increasing in the highly industrialized countries; (2) employment, especially of women, is also increasing, and so is demand for canned beans, (3) promotional activities of European canners are aimed at expanding the consumption of beans; (4) domestic bean production, though small in volume, is showing a downward trend in the more densely populated countries; and (5) competition with U.S. producers and exporters for European bean markets is increasing, especially from surplus producing areas in Eastern Europe.



Peas.--At the request of the Pacific Northwest Pea Growers' and Dealers' Association plans are under way for a survey in 1958-59 of market potentialities for U.S. dry peas in Latin America. It will be the first foreign market survey conducted for peas. Special attention will be devoted to local production trends and requirements, consumer preferences, governmental trade and price policies, extent of the competition from other foreign surplus producing areas, and problems that must be overcome in any successful market promotion programs for U.S. peas.

Seeds.--The Oregon Seed Council, represented by a grower, a seed dealer, and an extension college agronomist, conducted a survey of market potentialities for U.S. seeds in four Far Eastern countries in April and May. The team felt that actual demonstration of U.S. seeds at experiment stations in those countries would prove to be the most effective method of advertising and promoting their sale. It recommended, therefore, that forage seeds be provided for testing in Burma and Korea and demonstration materials, including vegetable and forage seeds, for testing in Thailand and Japan; the Oregon Seed Council will furnish the seeds.

A Pacific Seed Export Market Institute team, representing 18 companies, conducted a survey in 5 European countries in July. Although its report is still being written, indications are that this team also will recommend furnishing seed samples for testing in those countries. The results of such tests will be appraised periodically by a trained agronomist.

### Foreign Market Promotion

Government programs for expanding export markets for U.S. grain and grain products, beans and peas, seeds, and hops are designed to foster and support direct export promotional activities by private trade and agricultural groups with varying degrees of governmental cooperation and assistance. Included among the projects developed or implemented in 1957-58 were (1) completion of arrangements for full-time representation of U.S. wheat and flour interests at various foreign points; (2) on-the-spot market development projects by cooperating industry groups; (3) bringing foreign wheat delegations to the United States to see how U.S. wheat is grown, marketed, and processed; and (4) participation in international trade fairs.

Regional Offices for U.S. Wheat and Flour.--In cooperation with the Nebraska Wheat Growers' Association, a regional office was established at The Hague, Netherlands. This office will provide for closer and more frequent contact with foreign buyers, importers, flour mills, and processors in European countries. It will also supply them with the specifications and processing qualities of U.S. wheat.

A second regional office was set up in New Delhi, India, with the Washington Association of Wheat Growers and the Nebraska Wheat Growers' Association as cooperators. This office will provide for the planning, development, and full-time supervision of existing and new market development activities in that area. In the past several years, India has developed into one of the largest importers of U.S. wheat, both of soft and of hard types. Full-time on-the-spot representation by the industry is expected to prove especially effective in developing preferences and consumer acceptance for U.S. wheat.

A third industry representative office was set up in Peru to extend and maintain market outlets for U.S. wheat and wheat products there and in neighboring Latin American countries. The Millers' National Federation and the Nebraska Wheat Growers' Association are cooperating in this project. The framework of activities will be market research and reporting, sales promotion, quality testing, exchange of specialists, and public relations.

Trade Promotion Projects for U.S. Wheat Production.--The existing market development project for U.S. wheat products in Colombia, initiated by the Millers' National Federation (U.S.) and the National Bakers' Association and the Pasta Manufacturers of Colombia in July 1956, was enlarged to provide the full-time service of a nutrition expert to assist in the preparation of educational material and work with local groups in solving

nutritional problems. This addition, along with the overall market research and trade promotional activities of the project, is expected to be helpful in expanding the market for U.S. flour in Colombia.

Included among the activities of the project are the preparation of articles for press and radio use and of one-minute movies promoting consumption of pasta; dissemination to school children and others of notebooks, art calendars, and book covers emphasizing the value of bread and milk in the diet; printing of sandwich bulletins for distribution to bakers, millers, government agencies, food stores, restaurants, and school officials; and assistance in developing school lunch programs.

The "Kitchen Bus" phase of the market development program for U.S. wheat and flour in Japan has been expanded. This project was inaugurated in 1955-56 in an agreement between the Foreign Agricultural Service and the Oregon Wheat Growers' League. Only 8 buses were in operation during 1957-58. Four more have been ordered. In addition, 3 buses have been built by Prefectures for their own use, and others are in the blueprint stage.



Buses, like these in Japan, manned by nutrition specialists are effective means of teaching housewives how to prepare nutritious meals from U.S. farm products. Often, these buses reach into areas not reached by other means of communication. Scheduling of Japan's bus tours is directed by Japan Nutrition Association, Food and Life Association, and Prefectural extension workers.

Japanese project began with 8 buses; 4 have been added. Now, 3 Prefectures are building buses for local use, and others have plans for building their own too.

Wheat products were first to be featured; soybean products have been added.

Initially the buses were used only to demonstrate and promote the use of wheat products as a means of improving dietary standards in the country. Soybeans have now been included as a part of the drive to achieve better balanced diets. All efforts to promote the increased use of wheat and wheat products in Japan have been heartily endorsed by the National Diet, which is keenly interested in improving the health of the Japanese people through better balanced meals.

The project also includes assistance and guidance for school lunch programs; advertising campaigns emphasizing the value of wheat products in the diet; and training schools, operated by the Japanese Institute of Baking, where 160 bakers have been trained, who will return to their Prefectures and train others. Also cooperating in the program are the Japanese Ministry of Health and Welfare, the Japanese Nutrition Association, the National Food Life Improvement Association, and the Japanese Extension Service.

Under joint financing arrangements between the Foreign Agricultural Service and the Government of Peru involving the use of foreign currencies (Public Law 480), a wheat-testing laboratory was established near Lima, Peru. The overall purpose of the



project is to expand the demand and encourage increased importation of U.S. wheat and wheat products. The laboratory is engaged in objectively and scientifically comparing the physical qualities and the milling and baking qualities of different wheats and wheat products used in Peru, including those from the United States.

A market development project was initiated in Korea for purposes of introducing bulgour as a food that is well suited to meet the needs and tastes of the Korean people. The initial production phase of this project was so successful that samples of the product were sent to India and Malaya for testing. Korea is an underdeveloped country and is not likely to become a dollar market in the foreseeable future. The Washington Association of Wheat Growers is cooperating in this project. It works closely with the Korean Society for the Promotion of Bulgour Wheat.

Many foreign buyers are unaware that because of the wide range of climate and soil conditions under which wheat is grown in the United States, this country has abundant supplies of virtually every type of wheat needed by foreign millers, processors, and bakers for the kinds of bread and other wheat products consumed abroad. There is,



School lunch in Japan. Such programs in many lands are helping teach buyers of tomorrow about U.S. farm products. School children do not have same attitudes as their parents about foods and food preparation. In the end, this type of program may be most effective way to build lasting markets overseas for U.S. farm commodities.

therefore, an urgent need for acquainting them with the merits of the U.S. product and how it can be used with their own wheat in milling blends for the manufacture of bread flour, pasta, and other wheat products.

In cooperation with various U.S. wheat producer groups teams of foreign buyers, millers, bakers, and government wheat experts were brought to the United States from Japan, Italy, Greece, India, Brazil, Colombia, Portugal, and Korea. While in the United States the groups had an opportunity to investigate port facilities, visit farms, elevators, mills, and baking laboratories, and observe the handling, grading, and processing techniques employed in this country.

Their expenses while traveling to and from the United States were met by use of foreign currencies accruing under Title I, sales for foreign currencies, P.L. 480. Expenses while in the United States were covered by cooperating U.S. wheat producer groups. Cooperating groups were the Nebraska Wheat Growers' Association, the Kansas Wheat Growers' Association, Oregon Wheat Growers' League, Washington Association of Wheat Growers, and the Oklahoma Wheat Research Foundation.





Visiting Brazilian Wheat Team, Oklahoma State University. Left to right, George Gerdes, Nebraska Wheat Growers Association; Alberto Victor de Magalhaes Fonseca, Foreign Trade Department, Bank of Brazil (Representative on the Wheat Consulting Commission, Ministry of Agriculture); Emilio Laidner Zuned, Wheat Cooperative of Alegrete, Rio Gran do Sul; Carlos Mariz Felipe Montero, Moinho Santista, Sao Paulo, and member of Miller's Syndicate; Ansel Wood, FAS; James R. Enix, Oklahoma State University; Keats E. Soder, Oklahoma Wheat Research Foundation.

Foreign Rice Quality Survey.--The worldwide rice quality study initiated a year ago was continued during 1957-58. Some 2,000 samples of rice were collected from 22 rice-producing countries. The samples are being tested by USDA's Agricultural Marketing Service and Agricultural Research Service for grade, quality, and varietal characteristics, especially their cooking qualities compared with U.S. rice. This collection and testing will continue during 1958-59. It is expected to provide information of value in promoting the sale of U.S. rice in world markets.

Trade Promotion Project for U.S. Rice.--A trade promotional project for U.S. rice in six European countries is planned for 1958-59. Attention will be devoted to investigating consumer preferences, use of advertising media in promoting increased demand for U.S. rice, and determining market potentials for U.S. rice.

Trade Promotion Projects for U.S. Feed Grains.--Because of the large areas of land available for feed grain production in the United States, this country will probably continue as one of the world's largest surplus producers for many years to come. However, competition from other countries will be keen. Every effort, therefore, must be made to maintain existing and develop new export outlets.

The largest potential for expanding U.S. feed grain exports lies in the extent to which dietary standards, especially consumption of animal proteins, are improved. All countries now are attempting to raise their dietary standards. This is being reflected in growing demands for more animal proteins in the diet and an upward trend in world livestock and

poultry numbers. Many foreign governments are giving special encouragement to expansion in poultry husbandry because it provides rapid results in increasing desired supplies of animal proteins.

These developments foreshadow a continued upward trend in world demand for feed grains. The extent to which U.S. producers can participate in supplying those requirements depends mainly on (1) the price and quality of their feed grains; (2) U.S. willingness to assist foreign feed grain consuming interests in adopting the most efficient methods of converting such grains into animal proteins; and (3) the inauguration of foreign market development programs for U.S. feed grains.

In that connection, FAS is developing a project designed to expand the utilization of U.S. feed grains in Greece. The principal line of approach will be on-the-spot demonstration of efficient livestock and poultry production and feeding techniques. Special emphasis will be devoted to the poultry industry because climatic conditions in Greece favor that industry and because of expressed interest of the government, trade groups, and the people in more and cheaper supplies of poultry products.

On-the-spot activities were initiated during 1957-58 in implementation of a project agreement between FAS and Michigan State University designed to expand the Colombian market for U.S. feed grains. Demonstrations are being conducted on selected farms suitable for forage crop plantings to illustrate the value of supplemental feedstuffs from the United States in improving local dairy and livestock production.

An overall foreign market promotional program for grain sorghums was developed during 1957-58 with the cooperation of the Grain Sorghums Producers' Association of Amarillo, Texas. It is designed to facilitate promotional activities abroad by all segments of the industry. The grain sorghums projects will be coordinated with those of the American Institute of Poultry Industries and the Soybean Council of America.

A central office will be set up in Italy where grain sorghums market development projects for individual countries will be developed in cooperation with the governments and such groups in those countries as mixed-feed manufacturers, livestock and poultry producers, nutritionists, retail merchants, equipment suppliers, and others interested in the end products resulting from the use of feed grains and protein feeds. A representative of the Grain Sorghums Producers' Association will head the central office and supervise the operation of such promotional programs as are developed.

Promotional Activities for U.S. Seeds.--The FAS seed marketing specialist visited six European countries during the year to discuss with government officials, experiment stations, and the seed trade the prospects for increased sales of U.S. seeds. Other promotional activities included assembling and transmitting a large number of U.S. seed samples to foreign contacts; monthly distribution of wholesale price data to attaché posts; and handling of numerous requests for information on seeds from all parts of the world.

Foreign market potentialities for U.S. seeds look promising. Exports could be increased substantially if more industry attention were devoted to on-the-spot promotional activities. The distribution of U.S. seeds for testing and experimental planting is one of the best avenues of approach. Agreements by cooperators to assume responsibility for providing samples of U.S. seeds for testing in various foreign countries would be extremely worthwhile from a trade promotional point of view.

Participation in Trade Fairs.--Trade promotional activities by means of special exhibits at various foreign points and participation at international trade fairs were continued during the last half of 1957 and in calendar 1958. Through such participation, FAS and cooperating U.S. trade, agricultural, and industry groups have been able to



## EXPERIMENTO CON FORRAJES

COOPERAN  
FACULTAD DE AGRONOMIA  
MICHIGAN STATE UNIVERSITY  
DPTO DE AGRICULTURA. EE.UU

In Colombia, forage demonstration trials, where farmers may see value of suitable grasses and legumes for feeding live animals.

In Chile, U.S. varieties of hybrid grain sorghums are tested on experimental farm of Sociedad, Nacional de Agricultura.



bring home to many millions of people in foreign countries the merits of U.S. grain and grain products, U.S. production grading and marketing procedures, and methods of utilizing these products for food and feed. Exhibit materials were displayed at the following fairs:

	<u>Dates</u>	<u>Exhibits</u>
Salonika, Greece	Sept. 9-22, 1957	Feed grains
Zagreb, Yugoslavia	Sept. 7-22, 1957	Wheat, flour, & rice
Cologne, Germany	Sept. 28-Oct. 6, 1957	Wheat
Osaka, Japan	Apr. 12-27, 1958	Wheat, prepared wheat dishes, and kitchen demonstrations
Varese, Italy	June 14-16, 1958	Poultry feeds
São Paulo, Brazil	July 5-Aug. 3, 1958	Wheat, poultry feeds, and bread and cake demonstrations
Izmir, Turkey	Aug. 20-Sept. 11, 1958	Wheat, rice, and corn
Zagreb, Yugoslavia	Sept. 9-14, 1958	Wheat and feed grains
Vienna, Austria	Sept. 9-14, 1958	Wheat
Bari, Italy	Sept. 7-25, 1958	Feed grains
Munich, Germany	Sept. 25-Oct. 5, 1958	Wheat, rice, cake mixes, and kitchen demonstrations

Other Trade Promotional Activities.--These included (1) distribution of Spanish and Portuguese translations of the U.S. Grain Standards Handbook (German translation of the Handbook is now under way and translations into other languages are planned); (2) distribution of German, Spanish, Portuguese, Japanese, and Siamese translations of a brochure, "U.S. Flour for Export"; (3) providing supplies of U.S. feed grain for





Trade fair, Munich, Germany. In front of U.S. rice display are (left to right) Paul Hess, U.S. Embassy; R. Dreschler, Association of Rice Millers and Rice Promotion, Frankfurt; Herr Buetting, Association of German Rice Millers; Gisela Thomas, assistant at exhibit; Dr. Thuesing, Hanseatic Rice Importers and Wholesaler's Association; Si Grider, U.S. rice industry representative; Paul Taggart, Assistant U.S. Agricultural Attaché, Bonn; Max Thiesen, New German Rice Association.



Exhibit of U.S. rice, as staged by U.S. Information Service at Singapore, interests a group of Malaysians.



Food Fair, Cologne, Germany. Doughnuts made from U.S. flour are popular with visitors of all ages.

feeding demonstrations and of seeds for forage crop improvement for use by the Michigan State University feed-grain project in Colombia; (4) supplying samples of U.S. seeds, rice, beans, and wheat for distribution to interested parties by U.S. agricultural attachés. The rice samples were primarily for use by government experiment stations, and the wheat samples for foreign government purchasing agencies, private importers, and foreign milling and baking laboratories. In addition, each attaché was provided with small packets of rice, seeds, and beans for local handouts as needed.



U.S. Grain Standards translated into various languages (above), preparation of brochures, production of display cards and posters in foreign languages are some ways of carrying the message about U.S. crops to potential overseas markets.

### OVERCOMING DOLLAR SHORTAGES

The shortage of dollars in foreign countries continues as the principal stumbling block to expanded markets for grains and grain products. When Congress 4 years ago enacted Public Law 480, it was trying to meet two problems with one piece of legislation. One was how to move the big surpluses of grain and other products the United States had accumulated. The other was how to sell to many foreign countries that needed U.S. commodities but did not have the gold and dollar reserves to pay for them.

Table 12.--Grains and Grain Products: U. S. exports under programs and dollar sales, 1956-57 and 1957-58

Item	1956-57			1957-58		
	Wheat	Rice	Coarse grains	Wheat	Rice	Coarse grains
	<i>Million bushels</i>	<i>Million cwt.</i>	<i>1,000 met. tons</i>	<i>Million bushels</i>	<i>Million cwt.</i>	<i>1,000 met. tons</i>
Title I, P.L. 480.....	200.6	18.0	804.9	176.1	5.1	1,005.5
Title II, P.L. 480.....	12.2	.5	66.0	14.3	.4	178.3
Barter.....	86.9	.7	2,318.1	9.7	( <sup>1</sup> )	393.4
Section 402, P.L. 665.....	63.6	--	374.4	31.2	.1	254.4
Section 416, Agricultural Act of 1949.....	11.7	1.9	229.4	17.9	.6	234.2
Cash sales.....	173.6	5.5	2,580.0	152.2	5.9	6,371.9
Total.....	548.6	26.6	6,372.8	401.4	12.1	8,437.7

Source: Various agencies responsible for exports under specified programs and Bureau of the Census, Department of Commerce, for cash sales. The latter represent a residual, i.e., total exports as reported by the Bureau of the Census less total shipments under various programs.

<sup>1</sup> Less than 50,000 cwt.

The program was set up as a temporary means of bridging the gap. Under it, countries short of dollars can arrange to pay for U.S. grain and grain products in their own currencies, with the U.S. Government taking over the currencies and paying off U.S. exporters in dollars.

Dollar sales continue to receive primary emphasis. The most important single contributor to commercial exports for dollars is the U.S. foreign trade and economic policy which aims at giving other countries the opportunity to earn the dollars needed in order to buy U.S. products. A high level of dollar exports is being achieved also within the framework of the Trade Agreements Program. Other contributing factors include the credit programs of the Export-Import Bank and the Commodity Credit Corporation.

## MARKET INFORMATION SERVICES

Dissemination of timely information on developments in foreign countries affecting the competitive status of U.S. bread and coarse grains, rice, feed grains, beans and peas, seeds, and hops is one of the most important functions performed by the FAS Grain and Feed Division. This work aims to keep farmers, farm organizations, handlers, processors, and exporters up to date on the world supply and demand situation for those commodities, price developments, import requirements, export availabilities, and market opportunities. Thus, it enables them not only to take full advantage of their sales opportunities abroad but also to adjust their production and marketing operations in accordance with changing world supply and demand conditions.

This work pinpoints the basic economic information on world agricultural developments obtained from (a) intelligence reports of agricultural attachés, (b) various trade and market reports published in foreign countries, and (c) surveys abroad by the Division's commodity specialists.

Such informational materials are disseminated not only to the Nation's producing and trading interests but also to research institutions, trade journals, libraries, and the general public through the usual departmental media of news dissemination. Market opportunities and other foreign developments are reported regularly in the Foreign Agricultural Service weekly publication, Foreign Crops & Markets. More detailed information and background, as well as general market surveys, are published frequently in Foreign Agricultural circulars and bulletins. Spot market reports are made to interested farm and trade groups as the information becomes available.

The Division's marketing specialists also report on market opportunities at meetings across the country. They travel widely, and have numerous direct contacts with foreign government officials, trading agencies, importers, and consumer groups. Those interested in being placed on the mailing list for such information should write to the Director, Foreign Market Information Division, Foreign Agricultural Service, United States Department of Agriculture, Washington 25, D. C.



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